

AMENDMENT /RENEWAL APPLICATION (Time-Share)

RE 635C Part I (Rev. 3/01)

GENERAL INFORMATION

- ✓ This is a form to request an amendment and/or renewal of a final subdivision public report or permit for a time-share project.
- ✓ Detach and retain this Part I for reference

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STATUTE REFERENCES

B&P Code Section 11003.5(f)

A “multisite time-share project” is any method, arrangement, or procedure, with respect to which a purchaser obtains, by any means, a recurring right to use and occupy accommodations or facilities in a time-share project consisting of more than one component site, only through use of a reservation system, on a nonpriority basis. The term does not include an exchange program wherein the purchaser’s total contractual financial obligation does not exceed three thousand dollars (\$3,000) per time-share interest, a single-site time-share project, or a qualified resort vacation club.

B&P Code Section 11003.5(h)

A “single-site time-share” is a time-share project consisting of a single geographic site wherein a purchaser of a time-share interest in that site receives a right to reserve, on a priority basis, the use or occupancy of accommodations and facilities at that site. A single-site time-share project may be associated with other time-share projects, or other accommodations under a contractual or membership program through a reservation system.

B&P Code Section 11018.11(b)

A subdivider of a single-site time-share project which is associated with one or more component sites through a reservation system shall make the following true and correct disclosures to a purchaser of a time-share interest with respect to the component sites:

- (1) Name and address of each component site.
- (2) Number of accommodations and use periods expressed in periods of seven-day use availability and available for use by purchasers.
- (3) Each type of accommodation in terms of the number of bedrooms, bathrooms, sleeping capacity, and whether the accommodation contains a full kitchen.
- (4) A description of facilities available for use by the purchaser at each component site.
- (5) A description of the reservation system and the rules and regulations governing reservations.
- (6) A summary of restrictions, if any, to be imposed on a purchaser concerning the use of each component site.
- (7) A description of any priority reservation rights at any component site which may affect the purchaser’s odds of obtaining a reservation at that component site.

I. When To Apply

If the subdivision will not be sold out during the term of the final subdivision public report or permit, application for a renewal should be submitted approximately six months prior to the expiration date.

If there are errors in the report or if there are or will be material changes in the offering (see Regulation 2810.6), the existing final subdivision public report/permit or conditional public

report/permit must be amended so that the information therein contained is correct (amendment). All sales must cease until the amended report is received.

II. Where To File Your Application

Please submit your application to the office listed below.

Subdivisions Office – Technical
2201 Broadway (95818)
P.O. Box 187005
Sacramento, CA 95818-7005

Telephone: (916) 227-0810

III. Use The Latest Forms

Always use the latest revised form. Use of an obsolete form may invalidate or delay your application.

IV. All Documents Must Be Tabbed/Hole-Punched

In order to efficiently process the application, we require that *all* incoming documents, including those submitted after the original application package, be tabbed with the item numbers shown in RE 635C Part II. Use heavy stock or fabric tabs, not plastic or paper tabs. Each tab must show the document’s precise item number.

Place the tabs on the right side of the documents. Do not place all tabs in the same location, but stagger them up and down the right edge of page. Do not place tabs on the upper two inches of the documents.

The entire submittal package must be hole-punched as shown in Figure C.

- Note:
- Be sure to also tab and hole-punch any documents submitted after the initial submittal of the application.
 - Do not hole-punch original public reports/permits or maps.
 - Do not staple management documents together. They may be fastened by Acco fastener.

V. Single Responsible Party (SRP)

In order to process your application expeditiously, we request that a single responsible party (SRP) be designated on RE 635C. Normally, all communication from the DRE regarding your application will be through this person. *Other parties having an interest in the application should contact the SRP for status information, rather than the DRE.* In addition copies of all written communications to the SRP will be sent to the subdivider.

Submit ten self-adhesive address labels for the SRP of the filing and another ten labels for the subdivider. If your filing includes a duplicate budget package, submit five additional labels for both parties with the DBP. Complete the labels as shown below:

Sample: Mr. John Smith
SMITH TITLE COMPANY
123 Main Street
Anywhere, CA 90000

VI. Communications with the Department

When corresponding with the Department about a file or when sending in deficiencies, *always reference the DRE application file number and the name of the Deputy assigned.*

Make copies of all documents submitted and to retain them for your reference.

VII. Filing Fees

Submit a cashier's check, money order or check payable to the Department of Real Estate for the filing fee. **Do not send cash.** Attach and submit the filing fee with a photocopy of page 1 of RE 635C.

Note: Refer to Subdivision Filing Fees (RE 605) for appropriate fees.

VIII. Answer All Questions

If a question is not applicable, mark it NA. If you need more space than is available to answer a question, do not hesitate to use attachments.

IX. DRE Publications

A. Subdivision Industry Bulletin

The Department periodically publishes the *Subdivision Industry Bulletin* which includes the latest in subdivision procedures, regulations, form changes, etc. If you will be filing applications with some regularity, we encourage you to have your name, or that of the single responsible party, added to the mailing list. Your request should indicate how frequently you make subdivision filings, and whether you are a subdivider/developer, attorney, with a title company or are a real estate licensee. Send your request to: Department of Real Estate, Subdivisions - Technical, P.O. Box 187005, Sacramento, CA 95818-7005.

B. Real Estate Law Book

Use RE 350 to order the Real Estate Law Book.

C. Subdivision Public Report Application Guide (SPRAG)

Although the Guide is designed to provide detailed instructions when completing public report applications for other than timeshare projects, the information could prove useful to timeshare project applicants as well.

Use RE 350 to order SPRAG.

NOTE: The Guide is NOT copyrighted. You may reproduce it if you wish.

D. Operating Cost Manual for Homeowners Associations

This manual gives instructions on how to prepare association budgets which may be required as part of your application. It also includes an approved format as well as average costs that can be used for computing assessments.

Use RE 350 to order Operating Cost Manual.

X. Public Report/Permit Typing

Amended/renewed subdivision public reports/permits are typed at the Subdivision Office Technical Unit. *Public reports/permits will automatically be mailed to the entity designated as the single responsible party in this application, unless DRE is notified otherwise.*

XI. Receipt for Public Report/Permit — Regulation 2795.1

Each prospective purchaser must be given a copy of the public report/permit for which a receipt must be completed and retained for three years. A Receipt for Public Report or California Permit (RE 614E) shall be used by the owner/subdivider (or agent). (Refer to Figure A.) A copy of RE 614E will be provided when the public report/permit is issued.

The receipt is to be kept on file by the subdivider (or the agent) for three (3) years.

Note: Regulation 2795.1(a) states: "A receipt on the form specified herein shall be taken by or on behalf of the subdivider from each person executing a reservation agreement under authority of a preliminary or an interim public report and from each person who has made a written offer to purchase or lease a subdivision interest under authority of a final subdivision public report."

Subdivision (b) of Regulation 2795.1 provides that the receipt shall be retained for a period of three years from the date of the receipt and shall be available for inspection by DRE during regular business hours.

Section 11018.1 of the Business and Professions Code stipulates when, and to whom, the subdivider or the subdivider's agents or salespersons must give copies of the public report/permit:

Prospective Purchaser to Receive Report §11018.1.

- (a) A copy of the public report of the commissioner, when issued, shall be given to the prospective purchaser by the owner, subdivider or agent prior to the execution of a binding contract or agreement for the sale or lease of any lot or parcel in a subdivision. The requirement of this section extends to lots or parcels offered by the subdivider after repossession. A receipt shall be taken from the prospective purchaser in a form and manner as set forth in the regulations of the Real Estate Commissioner.
- (b) A copy of the public report shall be given by the owner, subdivider or agent at any time, upon oral or written request, to any member of the public. A copy of the public

report and a statement advising that a copy of the public report may be obtained from the owner, subdivider or agent at any time, upon oral or written request, shall be posted in a conspicuous place at any office where sales or leases or offers to sell or lease lots within the subdivision are regularly made.

XII. Regulations Regarding Use of Public Report/Permit

Interests in a time-share project shall not be offered for sale or lease until the Real Estate Commissioner's final or conditional (amended or renewed) public report/permit thereon has been issued, nor shall a deposit be accepted on, or an agreement of sale or lease be executed for, any interest in the subdivision until a copy of the final or conditional public report/permit thereon has been given to the prospective purchaser and a receipt taken therefor.

Each purchaser's signed receipt for a copy of the final public report/permit shall be kept on file in the possession of the owner/subdivider (or agent) of the subdivision for three (3) years subject to inspection at any reasonable time by the Real Estate Commissioner or his representatives.

No public report/permit shall be used for advertising purposes unless the report is used in its entirety, nor shall any person advertise or represent that the Department of Real Estate or the Commissioner approves or recommends the subdivision project or sale thereof. No portion of the report shall be underscored, italicized or printed in larger or heavier type than the balance of the report unless the report issued by the Commissioner is so emphasized.

Sale of a subdivision interest by the owner, agent or subdivider after its repossession shall be considered an original sale, and a copy of the public report shall be given to the purchaser as in the case of the original sale.

The owner, subdivider or agent shall immediately furnish data in writing to the Commissioner on any new condition or development in the subdivision being offered for sale. (See Commissioner's Regulation 2800 for an enumeration of material changes that require amended subdivision public reports.)

If the owner of the subdivision options or sells 12 or more interests to another, such option or sale shall constitute a material change within the meaning of Section 11012 of the California Business and Professions Code, and such owner shall immediately notify the Real Estate Commissioner in writing of such option or sale. A purchaser/optionee of 12 or more interests is under obligation to obtain an amended public report before reselling. (See Regulation 2801.5 for further definition of "Subdivider.")

When the interest conveyed to purchasers consists of a sublease or lease assignment, the owner, subdivider, or agent of the subdivider, shall deliver to each purchaser a copy of the original lease and all subsequent modifications, extensions and assignments upon which the interest to be conveyed is based.

The proposed further division of any interest in the subdivision must be reported to the Real Estate Commissioner pursuant to Section 11012 and/or 11018.7 of the Business and Professions Code. (Also, see Regulation 2800.)

A division of any interest in the subdivision into 12 or more interests may constitute a new subdivision as defined by Section 11000 et seq. of the Business and Professions Code and a separate final public report/permit may be required for that offering.

Note: All sections of the Business and Professions Code and the Regulations (California Code of Regulations) mentioned herein can be found in the Real Estate Law Book. A copy is available through the Department of Real Estate. See Publications Request (RE 350) for ordering instructions.

Review of Sections 11000 through Section 11200 of the Business and Professions Code and Regulations 2790 through 2822 may be of benefit to you.

XIII. Documents to be Delivered

Pursuant to Section 11018.6 of the Business and Professions Code, the subdivider of a common interest subdivision must make certain documents available to prospective purchasers *prior to entering into a purchase contract*:

§11018.6. Any person offering to sell or lease any interest subject to the requirements of subdivision (a) of Section 11018.1 (B&P Code) in a subdivision described in Section 11004.5 shall make a copy of each of the following documents available for examination by a prospective purchaser or lessee before the execution of an offer to purchase or lease and shall give a copy thereof to each purchaser or lessee as soon as practicable before transfer of the interest being acquired by the purchaser or lessee:

- (a) The declaration of covenants, conditions and restrictions for the subdivision.
- (b) Articles of incorporation or association for the subdivision owners association.
- (c) Bylaws for the subdivision owners association.
- (d) Any other instrument which establishes or defines the common, mutual, and reciprocal rights, and responsibilities of the owners or lessees of interests in the subdivision as shareholders or members of the subdivision owners association or otherwise.
- (e) To the extent available, the current financial statement and related statements specified in Section 1365 of the Civil Code, for subdivisions subject to those provisions.
- (f) A statement prepared by the governing body of the association setting forth the outstanding delinquent assessments and related charges levied by the association against the subdivision interests in question under authority of the governing instruments for the subdivision and association.

Owners of interests in common interest subdivisions must provide essentially the same documents to potential purchasers (resales) pursuant to Section 1368 of the Civil Code.

XIV. Request for Budget Review (RE 681)

- Fill out the RE 681 as shown in Figure B and attach it to the front of the duplicate budget package folder.
- *Items ① - ④ pertain to the subdivision itself, not to the subdivider's address particulars.*

XV. Duplicate Budget Package (common interest filings only)

If you are submitting a renewal application it is unlikely that DRE's Appraisal Section has a separate budget package on file pertinent to your project.

To enable simultaneous processing of your renewal application by DRE's Deputies and Appraisers, submit a duplicate budget package (DBP) with your renewal application.

The DBP is to be set up as follows:

Attach a completed RE 681 to the outside front of a side-tabbed, legal-sized, manila folder. Attach all the DBP documents inside as shown in Figure C; attach the two-hole punched documents with an Acco fastener. Do not obscure any writing/drawing on the documents when attaching them to the folder.

The items to be included in the duplicate budget package are:

- Completed RE 681 (Do not tab. Fasten to outside of folder)
- Five address labels for both the SRP and subdivider
- Vicinity map
- Tract/parcel map
- Condominium plan, if applicable
- Plot plan/site plan
- A copy of the Part II of RE 635C
- RE 611A, if applicable
- RE 623
- Other phases information (phased projects only)
- RE 624A(s)
- RE 639 including all documents required by the 639 (conversions only)
- New or revised management agreement
- New or revised subsidy/maintenance agreement and accounting procedure, if any
- New or revised contracts obligating HOA, if any
- New or revised use/easement agreements (miscellaneous documents)
- Bylaws (if revised)
- CC&Rs (if revised)
- Declaration(s) of annexation, if revised (phased projects only)
- Homeowner association financial statements

XVI. Association Financial Records

- A. If an association has been formed, the following information should be submitted with renewal and/or amendment filings with copies in the DBP, if there has been a change in budget information previously approved by the Department. See Operating Cost Manual for more information. Use RE 350 to order the Operating Cost Manual.
 1. The association's financial statements for the past year or from start-up, whichever is less, and a year-to-date statement. (If the reserve study, item 4 below, is not available, submit financial statements for the past three years, or from start-up, whichever is less.)
 2. A copy of the association's current budget. If the association has approved the budget for the next fiscal year, also include next year's budget and indicate the commencement date for the fiscal year.
 3. A statement from the association showing the dollar amount of past due assessments for the entire subdivision. The statement should indicate what assessments are due from the subdivider or should indicate that the subdivider is current in assessment payments.
 4. A copy of the following information which is required to be distributed to the membership which is commonly referred to as a reserve study:
 - a. Estimated revenue and expense on an accrual basis.
 - b. The amount of the total cash reserves of the association currently available for replacement or major repair of common facilities and for contingencies.
 - c. An itemized estimate of remaining life of, and the methods of funding to defray the costs to repair, replace or add to, major components of the common areas and facilities for which the association is responsible.
 - d. A general statement setting forth the procedures used by the association's governing body in the calculation and establishment of reserves to defray the costs to repair, replace, or add to, major components of the common areas and facilities for which the Association is responsible.
- B. If an association has not been formed, submit a copy of the proposed budget on RE 623 including the project inventory and all worksheets.

XVII. Special Circumstances

If the project has been used as a rental project or the public report/permit was issued over five years ago, or if there are other special circumstances the Department may require documentation in addition to documentation requested in Part II of this application; e.g. the duplicate budget package.

FIGURE "A"

RECEIPT FOR PUBLIC REPORT OR CALIFORNIA PERMIT

The Laws and Regulations of the California Real Estate Commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report or permit for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report or permit you must be afforded an opportunity to read the public report or permit before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report or permit, delivery of legal title or other interest contracted for will not take place until issuance of a final public report or permit. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report or permit because of a material change. (See California Business and Professions Code §11012.)

DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE PUBLIC REPORT AND HAVE READ IT.

I read the Commissioner's Public Report or Permit on _____
[File Number]

[Tract Number or Name]

I understand the public report or permit is not a recommendation or endorsement of the subdivision, but is for information only.

The issue date of the public report or permit which I received and read is: _____.

Signature *Date*

Address

FIGURE "B"

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE
SUBDIVISIONS

BUDGET REVIEW REQUEST

RE 681 (Rev. 3/90)

FILE NUMBER

To Be Completed By DRE

TO:		DATE SENT	DUE DATE
<input type="checkbox"/> SF	<input type="checkbox"/> LA	<input type="checkbox"/> SAC	
FROM: (DEPUTY)		<input type="checkbox"/> TECH	<input type="checkbox"/> LA
		<input type="checkbox"/> SAC	EMPLOYEE NUMBER
COMMENTS			

To Be Completed By Applicant

SUBDIVIDER		MASTER FILE NUMBER (IF APPLICABLE)	
TRACT NUMBER	TRACT NAME	ADVERTISING NAME	
STREET ADDRESS	CITY	COUNTY	
①	②	③	
CROSS STREETS	④		
TYPE OF PROJECT (CHECK ONE)			
<input type="checkbox"/> Condominium	<input type="checkbox"/> Planned Development Mobile Home	<input type="checkbox"/> Community Apartment	
<input type="checkbox"/> Condominium Conversion	<input type="checkbox"/> Time-Share Use	<input type="checkbox"/> Undivided Interest	
<input type="checkbox"/> Planned Development	<input type="checkbox"/> Time-Share Estates	<input type="checkbox"/> Undivided Interest Land Project	
<input type="checkbox"/> Planned Development Land Project	<input type="checkbox"/> Stock Cooperative	<input type="checkbox"/> Limited Equity Housing Cooperative	
	<input type="checkbox"/> Stock Cooperative Conversion	<input type="checkbox"/> Other: _____	
NUMBER OF UNITS/LOTS	NUMBER OF PHASES (i.e., Phase 2 of 3 Phases)	IF CONVERSION, AGE	
IS RE 611A ON FILE?	DATE OF MOST RECENT DRE BUDGET REVIEW	FILE NUMBER OF MOST RECENT DRE BUDGET REVIEW	
<input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NA			

If the application is for a subsequent phase of a multi-phase project, does the subdivider have sufficient votes to control the association? ☐ YES ☐ NO

PROJECT NARRATIVE/COMMENTS

FIGURE “C”

DUPLICATE BUDGET PACKAGE FILE LAYOUT

- Note:
- Attach completed RE 681 to the outside front of the folder.
 - Documents are not drawn to scale.
 - **Vicinity map, proposed or recorded condo plan and plot plan* must be large scale and legible.

